ARTICLE IV. ELIGIBILITY.

Every legally registered physician, after residing or practicing for six months in Jackson County who is of good moral and professional standing and who does not support or practice or claim to practice and exclusive system of medicine, shall be eligible for membership.

ARTICLE V. MEETING.

Regular meetings shall be held in the cities of Medford and Ashland on the second and fourth Wednesdays of each month, at 8 o'clock P.M. excepting January, July and August. The annual banquet will be held in Medford on the second Wednesday of January. An annual picnic will be held on the second Wednesday in July. The months of July and August shall constitute a vacation period.

3386 Special meetings may be called by the President on a written request of five members. A call for a special meeting shall state the object of such meeting, at which no business except that stated in the call shall be transacted.

ARTICLE VI. OFFICERS.

The officers of this society shall consist of a President, Vice-president, Secretary-treasurer, Delegate and alternate Delegate to the State Medical Society meeting, Historian, and Board of three Censors. These officers except the Secretary-treasurer, the Historian and the Board of Censors, shall be elected annually. The Secretary-treasurer and Historian shall be elected for a term of three years. The Board of Censors shall be elected for a term of three years, one member elected each year, provided that at the first election after the adoption of the constitution, one member or the Board shall be elected for one year, one for two years and one for three years.

ARTICLE VII. FUNDS AND EXPENSES.

Funds for meeting the expenses of the Society shall be raised by annual dues, special assessments and voluntary contributions. Funds may be appropriated by vote of the Society for such purposes as will promote its welfare and that of the profession.

ARTICLE VIII. CHARTER.

The Society shall apply to the Council of the Oregon State Medical Society for a charter at the meeting at which this

Constitution and By-Laws is adopted, or as soon thereafter as practicable, and the charter shall be kept by the Secretary.

ARTICLE IX. INCORPORATION.

The Society shall have authority to elect a Board of Trustees and to provide for articles of incorporation whenever it may deem this necessary.

ARTICLE X. AMENDMENTS.

The Society may amend any article of this constitution by a ⅔ vote of its members at any regular meeting, provided that such amendments are not in conflict with the laws and regulations of the State Association, provided also, that such amendment shall have been read in open sessions at a previous regular meeting, and shall have been sent by mail to each member ten days in advance of the meeting at which final action is to be taken.

3387 CHAPTER V.

SECTION I.

Funds and Expenses. The annual dues shall be $3.00 and shall be payable in January of each year. If the dues are not paid by April 1st. notices shall be sent by the Secretary requesting prompt payment. Members more than one year in arrears shall be dropped from the roll of members.

SECTION II.

The fiscal year of this Society shall be from January to December inclusive.

CHAPTER VI.

Order of Business: The order of business shall be as follows:

1. Call to order by the President.
2. Reading of the minutes of the last meeting.
3. Unfinished business
4. Miscellaneous business.
5. New Business.
6. Announcements.
7. Clinical cases.

8. Papers and discussions.

0. Adjournment.

CHAPTER VII.

Rules of Order: The deliberations of this Society shall be governed by parlimentary usage as contained in Roberts Rules of Order, unless otherwise determined by vote.

CHAPTER VIII.

The principles of Medical Ethics. The principles of medical ethics of the Amerıean Medical Association shall govern this Society.

CHAPTER IX.

Amendments: These By-Laws may be amended at any regular meeting by a ⅔ vote of the members of the Society, providing that each amendment has been read in open sessions at the preceding regular meeting, and a copy of the same has been sent to each member by the Secretary, ten days in advance of the meeting at which final action is to be taken.

3388 BY-LAWS

CHAPTER I. Membership.

Section I. Active members of this Society shall comprise all physicians duly elected to membership, residing in this county. Honorary members of this Society shall consist of active members who have been in practice forty years; such members may have their dues remitted, but will continue to take their turn in entertaining the Society and in reading a scientific paper at the meetings. Honorary members may also consist of members of the medical profession who have distinguished themselves in any special department of medicine; also members of the medical profession whose contribution to scientific literature has met with approbation, such persons may be recommended by a member of this Society, and elected to membership by a ⅔ vote of the members of the Society. Any member of other scientific, literary, or welfare organizations, who interest, researches or literary contributions have assisted in advancing the science of medicine, may be eligible to honorary membership without dues or vote, and shall not hold any office.

Associate members of this Society shall consist of physicians that are in active duty in government service and temporarily resident in this vicinity; or other men engaged in scientific work connected with the practice of medicine and located in this county. These members shall be elected in the regular manner; they shall not be entitled to vote or hold any office in this Society and shall not be required to pay dues.

Section II. The Society shall judge of the qualifications of its members, but as it is the door to the Oregon State Medical Society and to the American Medical Association for physicians within its jurisdiction, every reputable and legally qualified physician of Jackson County, who does not support or practise or claim to practise sectarian medicine, and having resided in Jackson County six months, shall be eligible to membership.

Section III. A candidate for membership shall make application in writing, and shall state his age, his college and date of graduation, the place or places in which he has practiced, and the date of registration in this State together with his license number. The application must be endorsed by two members of this Society. The application shall then be referred to the Board of Censors which shall be charged with the responsibility of ascertaining the standing and reputation of the applicant, correct registration according to the Laws of the State of Oregon and the adviseability of according him or her active membership in this Society. Under no circumstances may the Board of Censors report their findings until the next regular meeting after receiving the application nor shall a report be delayed past the second regular meeting after receiving the application. The report of the Board of Censors merely constitutes a recapitulation of the findings and opinions of this committee and upon rendering of the report its responsibility and functions concerning the application in question are thereby terminated. Acceptance of the applicant to membership in the Society shall be by ballot and election to membership shall require the affirmative vote of two thirds of the members of the Society. The application shall be returned to the Secretary, who shall file it for future reference. Applications for membership from rejected candidates shall not be received within one
3389 year of such rejection.

Section IV. A physician accompanying his application with a transfer card from another component County

Society of this or any other State within 60 days of the issuance of said card, shall be admitted on a majority vote of the members and without the application being referred to the Board of Censors. Such application may be acted upon at the meeting at which it is presented on the vote of ⅔ of the members, otherwise it shall lie over until the next regular meeting. No annual dues shall be charged for the current year, against such members, providing the same has been paid to the Society from which the applicant comes.

Section V. A physician residing in an immediately adjoining County, in this state, may become a member of this Society in like manner and on the same terms as a physician living in this county, providing there is not a medical Society in the county in which he resides.

Section VI. A member in good standing who is free from all indebtedness to this Society, and against who no charges are pending, wishing to withdraw, shall be granted a transfer card. This card shall state the date, the member associated himself with this Society, and the date of issuance of the card, and shall be signed by the President and Secretary-Treasurer. It shall be accompanied with a copy of the application presented at the time the member joined the Society, to which the member wishes to attach himself.

Section VII. All members shall be equally privileged to attend all meetings and take part in all proceedings, and shall be eligible to any office or honor, within the gift of the Society, so long as they conform to this Constitution and By-Laws, including the payment of dues, save and excepting honorary members, whose dues may be remitted.

A member who is under sentence of suspension or expulsion shall not be permitted to take part in any office until relieved of such disability. And provided further, that none of the privileges of membership shall be extended to any person not a member of this Society except on a majority vote of the Society in regular meeting.

Section VIII. A member who is guilty of a criminal offense or of gross misconduct, either as a physician or a citizen, or who violates any of the provisions of this Constitution and By-Laws, shall be liable to censure, suspension, or expulsion. Charges against a member must be made in writing and be delivered to the Secretary-treasurer,

who shall immediately furnish a copy to the accused and to the chairman of the Board of Censors. The Board of Censors shall investigate the charges on their merits, but no action shall be taken by the Board within 10 days of the presentation of the charges to the accused, nor before giving the accused and accusers ample opportunity to be heard. The Board shall report (1) that the charges are not sustained; or (2) that the charges are sustained; and that the accused be (A) censured; (B) suspended for a definite time, or (C) expelled. Censure or suspension shall require a ⅔ vote of the members of the Society, and a ¾ vote of the members of the Society shall be required to expel a member. No action shall be taken by the
3390 Society in such case until at least 6 weeks have elapsed since the filing of the charges. A member suspended for a definite time shall be automatically reinstated at the expiration of the time.

Section IX. Kindly efforts in the interest of peace, conciliation or reformation, so far as possible and expedient, shall precede the filing of formal charges affecting the character or standing of a member, and the accused shall have opportunity to be heard in his own defense in all trials and proceedings of the nature.

Section X. Members expelled from this Society for any cause shall be eligible for membership after one year from date of expulsion and on the same terms and in like manner as original applicants.

CHAPTER II. Powers and Duties.

Section I. This Society shall have general direction of the affairs of the Medical profession of the county, and its influence shall be constantly exerted to better the Scientific material, and social condition of every physician within its jurisdiction. Systematic efforts shall be made by each member and by the Society as a whole to increase the membership until it embraces every reputable physician in the County.

Section II. The first meeting in December shall be known as the annual meeting, at which time the election of officers shall be held, and reports of Secretary-treasurer and committees shall be made. One half the voting members together with the President and Secretary-treasurer shall constitute a quorum, for the transaction of business.

Section III. This Society shall endeavor to educate its members to the belief that the physician shall be a leader in his community, in character, in learning, in dignified and manly bearing, and in courteous and open treatment of his brother physicians, to the end that the profession may occupy that place in its own and the public estimation to which it is entitled.

CHAPTER III. Officers.

Section I. The officers of this Society shall be elected at the annual meeting of each year. Nominations shall be made by informal ballot, and all elections shall be by ballot. The vote of the majority of all members present shall be necessary to an election. The officers shall be installed at the January banquet by a member or past member of the Council of the State Medical Society, if present, otherwise a past president of the Society, designated by the president.

Section II. The President shall preside at the meetings of the Society and perform such other duties as custom and parliamentary usage may require. He shall be the real head of his profession in the County during the year, and it shall be his pride and ambition to leave it in better condition as regards both scientific attainments and harmony, than at the beginning of his term of office.

3391 Section III. The Vice-president shall assist the President in the performance of his duties, shall preside in his absence, and on his death, resignation or removal from the County, shall succeed to the presidency.

Section IV. The Secretary-treasurer shall record the minutes of the meeting, and receive and care for all records and papers belonging to the Society, including its Charter. He shall notify each member of the Society as to the time and place of each meeting, and whenever possible, give the program for the meeting. He shall make and keep a list of the members of this Society in good standing, noting of each his correct name, address, place and date of graduation, and the date of the certificate entitling him to practice medicine in this State; and in a separate list he shall note the same facts in regard to each legally qualified physician in this county not a member of this Society. It shall be his duty to send a copy of such lists, on blank forms, furnished him for that purpose, to the Secretary-treasurer of the Oregon State Medical Society

at such time as may be designated by the State Society. In making such lists he shall endeavor to account for each physician who has moved into or out of the County, during the year, stating when possible, both his present and past address. The Secretary-treasurer shall receive all dues and money belonging to the Society, and shall keep an accurate account of the same.

Section V. The Historian shall keep a chronological record of the Society including the names, date of birth, school and date of graduation, locations of practice, when licensed in this or other states, when admitted into this Society, present address, member of what other medical organizations and any other information of a historical character. The Historian shall have the custody of all books or papers of a historical nature belonging to this Society, and it shall be his duty to keep them up to date.

Section VI. The delegates shall attend and faithfully represent the members of the Society and the profession of the County, in the House of Delegates of the Oregon State Medical Society; and shall make a report of the proceedings of that body to this Society at the earliest opportunity. When the membership of this Society shall have reached 38 or more, two delegates are to be elected, as per the By-Laws of the Oregon State Medical Society.

CHAPTER IV.

Section I. There shall be a Board of Censors, as provided in the Constitution, and such special committees as may from time to time be deemed necessary.

Section II. The Board of Censors shall examine and report on the qualifications of applicants for membership, subjecting each applicant to such examination as it may deem necessary. It shall investigate charges preferred against a member, and report its conclusions and recommendations to the Society. In case of the absence of a member of the Board, the president may appoint some member to fill the vacancy. The senior member of the Board in point of service shall be the chairman of the Board.

Plaintiff's Exhibit 9

3392

CONSTITUTION

Article I

Name and Title of Society

This Society shall have for its name and title The Multnomah County Medical Society.

* * * * *

Article III

* * * * *

Section 2. Every physician who is duly licensed to practice medicine and surgery by the Board of Medical Examiners of the State of Oregon, who has resided in Multnomah County or had a principal place of business in Multnomah County six (6) months or more, who is of good moral and professional standing and who is practicing in accordance with the Principles of Medical Ethics of the American Medical Association, shall be eligible to apply for membership under the conditions prescribed by the Constitution and By-laws of this Society. Residence requirements shall not apply to Interne Members. Physicians residing in neighboring counties, that do not have organized county or district societies, may become Active Members of this Society upon fulfilling the same requirements as those residing in Multnomah County.

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Article IV

Officers

Section 1. The officers of this Society shall be a president, president-elect, vice-president and as many second vice-presidents as there shall be sections (as hereinafter provided), a general secretary, a recording secretary for each section, a treasurer, twelve councilors, and as many delegates to the Oregon State Medical Society as this Society may be entitled to under the rules of the Oregon State Medical Society.

Section 2. The president, president-elect, vice-president, second vice-president, general secretary, treasurer and councilors shall form the Council of this Society under restrictions hereinafter provided. In addition the retir-

ing president shall serve as member of the Council for one year.

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ARTICLE VII

3396 * * * * *

Per Capita Tax to State Medical Society

This Society, through its Secretary, shall collect the per capita tax of the State Medical Society, and pay the same to the proper officers thereof.

ARTICLE VIII

Charter

This Society exists under charter of the Oregon State Medical Society.

ARTICLE IX

Incorporation

The Society shall have authority to appoint a Board of Trustees and to provide articles of incorporation whenever it may deem the same necessary.

ARTICLE

Code

The Principles of Medical Ethics of the American Medical Association are hereby incorporated herein, the same as though set out in full, and it shall be the code and standard of conduct of this Society.

* * * * *

3397 BY-LAWS

Multnomah County Medical Society

* * * * *

Section 2. Whether applying for Active, Junior, Interne or Associate Membership, the method of application and election shall be as follows: Any person desiring to become a member of this Society shall make application on a regular blank form provided by the Society for that purpose. The application shall be endorsed by two members in good standing. It shall be read in open Society and offered to the Board of Censors which shall in turn investigate the applicant's standing and report at a subsequent meeting of the Council. If the Board of Censors

rejects the application, the report of rejection shall be made to the Council, and the application shall not be voted upon by the Council or general Society. If the Board of Censors approves the application, it shall be voted upon by ballot by the Council as soon as the Council may readily consider the application. A two-thirds vote of all members of the Council present shall be necessary to approve the application. If the Council rejects the application it shall not be voted upon by the general Society. If the Council approves the application, it shall be so reported at a subsequent meeting of the Society. A two-thirds vote of all present at such meeting shall be necessary for election.

Such application shall be deemed to be an agreement on the part of the applicant to be bound by the Constitution, By-Laws and duly passed amendments of the Constitution and By-Laws of this Society and the actions of the Society and officers thereof taken pursuant to said Constitution and By-Laws exclusive of any other remedy, legal or otherwise. This amendment is not to be construed as adding anything to the effect of such an application, but merely as a statement of present rights and privileges of members. If any present member shall not desire to be bound by this statement it shall be his duty to resign from the Society forthwith.

All applications shall be returned to the Secretary and filed by him for future reference.

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Section 4. The annual dues for each respective class of membership shall be as follows:

(1) Dues for Active Members and Junior Members shall be the annual active membership dues of the Oregon State Medical Society plus $15.00;

(2) Interne Members: Gratis;

(3) Life Members: Gratis except the annual dues of the Oregon State Medical Society;

(4) Associate Members: The annual Associate Membership dues of the Oregon State Medical Society plus $2.00;

(5) Honorary Members: Gratis.

All dues shall be payable on January 1st of each year.

Section 5. All the members shall be equally privileged to attend all general Society meetings and may take part in all scientific proceedings. Meetings of the Council shall be open to members of the Society, but such member shall take no part unless invited to do so by the presiding officer; provided that no member may attend a meeting of the Council or of the Board of Censors when those bodies are engaged in considering violations of this Constitution and By-Laws, unless permited to do so by those respective bodies.

Section 6. (a) A member who has been convicted of a felony, or whose license to practice medicine has been revoked by the Oregon State Board of Medical Examiners shall be dropped automatically from the rolls of this Society as of the date of such conviction on revocation, unless the Council, within thirty (30) days from the date of such conviction shall decide that such forfeiture of membership is unjustified; provided that if the Council decides that such member shall not be dropped because of such conviction, he shall be held to have been continuously in good standing insofar as the operation of this sub-section is concerned.

3399 (b) A member who is guilty of gross misconduct either as a physician or citizen or who violates any of the provisions of the Constitution of this Society or these By-Laws, shall be liable to censure, suspension or expulsion.

(c) It shall be deemed a violation of these By-Laws for any physician to pay, or offer to pay, commission to any person who may recommend to them patients requiring general or special treatment or surgical operations. It is equally a violation for physicians to solicit or receive such commissions.

(d) The procedure in hearing charges and disciplinary action shall be the following, where no extraordinary circumstances are present:

(1) The Board of Censors shall make a preliminary examination into the merits of any case, and make kindly efforts in the interest of peace, conciliation and reformation. The accused shall be given an opportunity to be present before a meeting of the Board of Censors and an opportunity to be heard in his own defense. The accuser should also be given an opportunity to be present, where

feasible. A member or members of the Grievance Committee of the Society or other such Committee may also be present.

(2) If the condition or charge under consideration is not satisfactorly corrected by such conciliation meeting, formal charges in writing may be filed with the Secretary against such member, by the accuser or a committee of the Society. The Secretary shall forthwith mail a copy of the charges to the accused and to the chairman of the Board of Censors.

(3) The Board of Censors shall proceed to consider such charges. The said Board shall not take any action thereon within ten (10) days of the mailing of the copy of the charges to the accused and shall give the accused notice of the meeting to consider such charges by mailing a

notice of the time and place of such meeting at least (7) days prior to the meeting. The accused shall be given an opportunity to be present at such meeting.

(4) After considering such charges and whatever evidence is present in support or in opposition thereof, the Board of Censors shall present its conclusions to the Council in the form of a recommendation (a) that the charges are not sustained; or (b) that the charges are sustained and that the accused be (1) censured; (2) suspended for a definite time, or (3) expelled.

(5) The Council shall then consider the recommendations of the Board of Censors as soon as feasible. The Council shall mail a notice of the meeting to consider such recommendation to the accused at least three (3) days before such meeting, and give the accussed, and any other person desired by the Council, an opportunity to be heard.

Censure or suspension shall require a two-thirds vote of the members of the Council and a three-fourths vote shall be required to expel a member.

(6) The action of the Council shall be final except that the accused or the Society shall have the same opportunity to appeal to the Oregon State Medical Society and the American medical Association as heretofore.

(7) At all hearings provided for in this section an attorney selected by the Society may

3400 (7) At all hearings provided for in this section an attorney selected by the Society may be present to advise the Council, Board of Censors, other Committees of the Society participating, and the accused as to procedure. No attorney for the accused may be present or participate at such hearings, unless specifically permitted by the Board of Censors or the Council.

(8) If the accused shall not appear at any meeting of which he has been notified pursuant to this section, he shall be deemed in default, and forfeit any rights he might have had to appear, unless he shall provide a written ex-

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cuse satisfactory to the body considering the charges.

(9) The Council or the Board of Censors may continue any hearings under this section if deemed advisable.

(10) All notices provided for herein to be mailed to the accused member shall be mailed to the address of the accused on the roster of the Society.

Section 7. Members expelled from this Society for any cause shall be eligible to apply for membership after one year from the date of expulsion on the same terms and in like manner as original applicants.

CHAPTER II

Duties of Officers

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3402 Section 7. Delegates to the Oregon State Medical Society. The Delegates shall attend and faithfully represent this Society and the profession of this county in the House of Delegates of the Oregon State Medical Society. In the absence or inabilility of a Delegate to serve, an alternate appointed by the President shall serve in his place. After their election at the annual meeting of the Society, the Delegates shall meet and select a Chair-

—18—

man, who shall have power to call them together at any time when questions pertaining to the functions of the Society make a meeting desirable. Such a meeting shall be called when requested by three Delegates, or when ordered by the Council of the Oregon State Medical Society. A meeting shall always be held before the annual meeting

of the Oregon State Medical Society to receive the instructions of the Council of the Multnomah County Medical Society and to discuss the policy of the delegation. The chairman shall make a report to the Council at its annual meeting.

CHAPTER III

Duties of the Council

Section 1. Meetings. The Council shall hold at least one meeting each month except during the summer vacation, at such time and place as may be decided upon. Due notice of this meeting shall be sent to each member of the Council.

Section 2. Special Meetings may be called by the President at any time and shall be called on the written request of three or more members of the Council. At least one (1) days' notice of all meetings shall be given and the call for the meetings shall contain information as to the nature of the business to come before it, and no other business shall be transacted, provided that when two-thirds of the members of the Council are present by the unanimous vote of all Councilors present, the Council may act on suggestions not included on the call for the meeting.

Section 3. Meetings of the Council shall be open to members of the Society. But such members shall take no part unless invited to do so by the presiding officer.

Section 4. The Council shall be the legislative body of this Society. It shall be presided over by the President,

3403 and except where these By-Laws provided that the Vice-President may exercise the duties and powers of the President, and its transactions shall be recorded by the General Secretary. Before it shall come all matters of business and it shall dispose of these except when on motion, they may be ordered referred to the Society. In case of the resignation, death, disqualification or removal of a member of the Council, the method of selection of a successor, where not otherwise provided in these By-Laws, shall be that such a successor shall be elected at the next regular meeting of the general Society by a majority of those present, provided a quorum is present.

Section 5. It shall select the place of meeting of the Society, and shall, through its executive officers, have power to lease suitable rooms for this purpose.

Section 6. The Council shall elect three of its members to serve as a Board of Censors, which Board shall have the powers and duties set out in the Constitution of this Society and these By-Laws.

Section 7. The last regular meeting of the Council occurring previous to the annual meeting of the Society shall be known as its annual meeting. At this meeting all officers, committees and delegates shall make summary reports for the past year. The term of office of all Councilors, Alternate Councilors, Delegates, and Elective Committees shall begin at the time of election.

CHAPTER IV

Section 1. The standing committees of Society shall be as follows:

(a) Committee on Program;

(b) Committee on Public Relations;

(c) Committee on Public Policy;

(d) Committee on Public Health;

—16—

(e) Committee on Medical Education, and Hospitals;

(f) Committee on Library;

(g) Committee on Medical Economics;

(h) Committee on Charitable Medical Care;

(i) Committee on Membership;

(j) Committee on Constitution and By-Laws;

(k) Advisory Committee to Woman's Auxiliary;

(l) Committee on Neurology.

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3404 CHAPTER IV

Section 2. Unless otherwise provided herein, the above committees shall consist of three members appointed annually by the President as soon after the annual meeting as practical. The President may also designate the

Chairman of each committee. Unless otherwise provided, herein, such committees shall only act under the instructions of the Council or of the Society.

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Section 5. The Committee on Public Policy shall represent the Society in obtaining and enforcing legislation in the interest of public health. The President and President-elect shall be ex-officio members of this committee.

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Section 7. The Committee on Medical Education and Hospitals shall represent the Society in dealing with problems relating to medical education and hospitals, and shall serve in the capacity of the Council on Medical Education and Hospitals of the American Medical Association in this county.

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Section 9. The Committee on Medical Economics shall investigate problems in the field of medical economics, and report to the Council or Society thereon.

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3405 CHAPTER VI

SCIENTIFIC PROGRAM

Section 1. This shall be arranged by the Committee on Program. It shall consist of papers and discussions, presentation of cases and pathological specimens, and clinics. Each President shall have the option of determining the general character of his program subject to the provisions of this Constitution and By-Laws, and shall confer with and assist the Committee on Program in the preparation of the program.

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Plaintiff's Exhibit 10

3408

ROY E. HANFORD, M.D.
421 PACIFIC BLDG.
ROSEBURG, OREGON

April 3, 1947

Roseburg Lumber Company
Roseburg, Oregon

Dear Mr. Plummer;

It is a rule of the Douglas County Medical Society that it's practicing physicians do not do any business with National Hospital Association.

However the patient, who is responsible to us for his own bill, is entitled to an itemized statement for his treatment. Such a statement is enclosed.

Very truly yours,

(Signed) ROY E. HANFORD
Roy E. Hanford, M.D.

REH/ca

Plaintiff's Exhibit 11

3409

N. E. WARD, M. D.
615 Broadway
Phone 733-W
SEASIDE, OREGON

11 April 1947

Mr. Richard Norris
Golf View Motel #9
Seaside, Oregon

Dear Mr. Norris:

Please find enclosed form from the National Hospital Association. I am unable to fill out this form for the Association.

Please find enclosed itemized statement which you can submit to them for payment. It will be necessary for me to hold you personally responsible for this bill.

Yours truly,

(Signed) N. E. WARD
N. E. Ward, M. D.

2 Encl.
#1—NHA form.
#2—itemized statement

NEW:am

(Reverse Side)

Dear Sirs:

What is the meaning of all this?

I pay $3.00 a month for this service and then no doctor will take this form. I have to do all the red tape.

If this continues I will have to drop out of the N. H. A. and pay my own Bills. I have so far. Please send me a list of doctors in Seaside or Astoria that will take this form.

Let me hear from you, please.

(Signed) R. Norris

Plaintiff's Exhibit 12

3410 Telephone: Beacon 1178

THOMAS R. MONTGOMERY, M. D.
PHYSICIAN AND SURGEON
919 S. W. Taylor Street
Portland 5, Oregon

March 1, 1947

Mr. Ted Gilliland
1202 May Street
Hood River, Oregon

FOR PROFESSIONAL SERVICES RENDERED: $35.00

Mr. Gilliland:

Enclosed is a check from the National Hospital Association in favor of Dr. Montgomery. Please return this to the N.H.A. and have them make a new check in favor of you for $35.00 and then you send us either a check, money order, etc.

Dr. Montgomery will not honor a National Hospital Association check.

Thank you

Plaintiff's Exhibit 13

3411 TRUE COPY Phone 3126

RUSSELL G. BARNES, M. D.
212 Liberty Building
Medford, Oregon

October 2, 1946

Service Engineering Company
Mead Building
Portland, Oregon

Dear Sirs;

At the time I undertook treatment of Artie Christianson, an employee of Medford Corporation It was my understanding that your organization was the insurance carrier for the Medford Corporation. I do not and will not accept payment or have other transactions with the National Hospital Association and am returning their check once more to you. In the event that I do not receive your check in the immediate, in the settlement, of this claim, I will be forced to bill the patient directly for this account. I will also have to refuse to treat Medford Corporation industrial accidents on a credit basis, and will insist on payment by the employee for any treatment rendered.

Sincerely

/S/ Russell G. Barnes, M.D.
Russell G. Barnes, M. D.

by m.s.

Plaintiff's Exhibit 60

3412 NATIONAL HOSPITAL ASSOCIATION
TOP FLOOR MOHAWK BUILDING
PORTLAND 4, OREGON

Medford, Oregon

October 12, 1946

TO: Mr. C. C. Bechtold

RE: Dr. Russell G. Barnes
Medford, Oregon

In accordance with our telephone conversation yesterday, I called on Dr. Barnes in regard to the case of Artie

Christianson, an employee of the Medford Corporation, whose case is the one for which payment was rejected by Dr. Barnes.

The doctor informed me that personally, he had no fault to find with the National Hospital Association. However, since he has just established his practice here, he had made application for membership in the American Medical Association and the Oregon Physicians' Service, and he had been told that none of the doctors in this area would have anything to do with the association, and that in the event he should receive checks from us in payment for claims of our members, he should return the checks. When the case of Christianson came up, Dr. Barnes received our reimbursement check, he states that he called Dr. Robert W. Sleeter, who is apparently the head of the local physicians' group, and asked him as to what action should be taken. He was advised that he should return the check to the Service Engineering Company and demand payment directly from them. This he did, and as a result, the Service Engineering Company wrote him a nice letter explaining to him the set-up involving the Service Engineering Company and the National Hospital Association, and again sent the check to Dr. Barnes. Upon the receipt of this information, Dr. Barnes again contacted Dr. Sleeter and asked what he should do next. Again, he was advised to return the check to the Service Engineering Company and to include a letter which, if made emphatic enough, would cause the Service Engineers to pay the bill themselves. Apparently, this is what Dr. Barnes attempted to do in his letter of October 6 to the Service Engineering Company, a copy of which is attached.

I pointed out to Dr. Barnes the difference between care for during-employment injuries and the other types of cases that might be handled under the terms of our contract for out-of-employment injuries and sickness. I also pointed out to him that under the Oregon State Industrial Accident Commission's regulations, an employee could not be held responsible for payment for medical services received in the care of during-employment injuries.

In the case of Artie Christianson, Dr. Barnes stated that he was not anxious to cause trouble, but that he would prefer to tear up the check rather than to have to accept it since he was desirous of having the membership and association with the men in his profession. He also stated that had the check involved a case of a considerable sum of money, he would have accepted it and said nothing.

Personally, the doctor was very friendly, and seems to be of a fairly high type of individual. He advised me that approximately a month ago, there was a meeting of the local medical society and a meeting of the local O.P.S., both held during the same week in which discussions of the National Hospital Association's activities were the central theme, and that it would appear that a concerted effort was being planned to attempt to damage our local relationships.

3413 This case with Dr. Barnes makes three in which similar action has been taken by three different Medford doctors. First was the case of Robert Cooper of the Medford Corporation in which Dr. Sleeter refused a check reimbursing him for during-employment injury; then the case of Charles McKee of the Medford Corporation in which Dr. R. P. Mortensen refused to accept reimbursement for a during-employment injury; and then the case of Christianson, refused by Dr. Barnes.

(Signed) EOM
Edwin O. McKeen

EOM:rlg
Enclosure

Plaintiff's Exhibit 14

3414

CHARLES E. SEARS · JOHN R. MONTAGUE · MATTHEW O. RIDDLE
FRANK S. DIETRICH
PHYSICIANS

ASSOCIATES IN INTERNAL MEDICINE
MEDICAL ARTS BUILDING
PORTLAND 5, OREGON

May 11, 1946

Mr. Michael Colby
4223 S. E. 10th Avenue
Portland 2, Oregon

Dear Mr. Colby:

As we do not accept checks from the National Hospital Association, will you kindly send us your personal check, and have the Association make out the enclosed check to

you? We are indeed sorry to have to put you to this trouble, but it seems to be the only way to handle it and have the account cleared up in full.

Very truly yours,

(Signed) JANET SEXTON
Bookkeeper

Encl. 1

Plaintiff's Exhibit 15

3415 LOWER COLUMBIA COOPERATIVE
DAIRY ASSOCIATION
ASTORIA, OREGON

September 19, 1946

National Hospital Association
Mohawk Building
Portland 5, Oregon

Gentlemen:

In view of the attitude of our local doctors to the National Hospital Association and the consequent inconvenience of our employees under their prepaid plan, it becomes necessary to notify you of our desire to terminate our contract as of October 1, 1946.

Yours very truly,

LOWER COLUMBIA COOP DAIRY ASS'N

(Signed) E. P. HAUKE
E. P. Hauke, Comptroller

EPH:jl

Plaintiff's Exhibit 16

3416

CHARLES E. SEARS JOHN R. MONTAGUE MATTHEW C. RIDDLE
CHARLES P. WILSON FRANK S. DIETRICH
PHYSICIANS
ASSOCIATES IN INTERNAL MEDICINE
MEDICAL ARTS BUILDING
PORTLAND, OREGON

April 3, 1946

Mr. Michael Colby
4223 S.E. Tenth Avenue
Portland, Oregon

Dear Mr. Colby:

This letter will serve as a means of establishing a diagnosis in your case with the National Hospital Association. Due to the fact that this hospital association is operated for a profit, members of the Medical Society are not allowed to make direct reports to them or to receive remuneration from them directly. This, however, can be handled by simply using this letter as a means of establishing the diagnosis and by handling the financial transactions of the doctor directly and then collecting a like amount from the company. The diagnosis in your case was pneumonia, complicated by empyema; and diabetes.

Please let me know if this report does not effectually establish your claim.

With kindest regards,

Sincerely yours,

(Signed) JOHN R. MONTAGUE

JRM js

Plaintiff's Exhibit 17

3417

THE PORTLAND CLINIC
MAYER BUILDING
PORTLAND 5, OREGON

PHYSICIANS AND SURGEONS
NOBLE WILEY JONES, M.D.
THOMAS M. JOYCE, M.D.
FRANK B. KISTNER, M.D.
LAURENCE SELLING, M.D.
DORWIN L. PALMER, M.D.
MERL L. MARGASON, M.D.
DAVID W. BAIRD, M.D.
JOHN R. HAND, M.D.
J. CHARLES KENNEDY, M.D.
GORDON PREWITT, M.D.
FRANK B. SMITH, M.D.
JOSEPH W. NADAL, M.D.
DAVID D. DEWEESE, M.D.
VERNON A. DOUGLAS, M.D.

WITH UNITED STATES ARMED FORCES
SAMUEL L. DIACK, M.D.
MILTON B. STEINER, M.D.
ARTHUR L. ROGERS, M.D.
GORDON K. SMITH, M.D.
GILBERT J. MCKELVEY, M.D.
ARTHUR W. SULLIVAN, M.D.
NORVAL E. HAMILTON, M.D.
AMBROSE B. SHIELDS, M.D.
J. EDWARD HUGHES, M.D.

ADMINISTRATION
L. D. WOOD

February 5, 1946

Mrs. Laura Hoffman
920 E. 81st McLaughlin Heights
Vancouver, Washington

Dear Mrs. Hoffman:

We are not connected in any way with the National Hospital Association and because of a ruling by the Medical Society are not permitted to fill out their blanks.

However, enclosed is a statement which you may give them if you wish.

Sincerely,

TMJ-R

Plaintiff's Exhibit 18

3418 DR. BANNER R. BROOKE
218-220 MEDICAL DENTAL BLDG.
PORTLAND, OREGON

July 2, 1936

Mr. C. C. Bechtold
Mr. W. J. Page
c/o Nat'l Hospital Association

Gentlemen:

It has been a pleasure for me to have been complimented by your association in referring a few cases to me for medical or surgical care. Permit me to thank you for the same. However I shall be obliged to refuse to attend any referred cases in the future. The reasons for my refusal are, of course, known to you. I shall be happy to complete all of your cases at present under my care, if this is agreeable to you.

In the greatest spirit of friendliness,

(Signed) BANNER R. BROOKE

Plaintiff's Exhibit 19

3419 CHARLES C. PETHERAM, M. D.
MEDICAL ARTS BUILDING
PORTLAND, OREGON

November 1st, 1939.

Mr. C. C. Bechtold,
National Hospital Association,
Mohawk Building,
Portland, Oregon.

Dear Mr. Bechtold:

Sometime ago you called asking me to do some work for the National Hospital Association. As you know, I am a staff physician of the Multnomah Medical Service Bureau, and in looking over the By-laws of that organization I find that their physicians are not allowed to render services for any other hospital association.

I regret very much that it is necessary for me to make this decision. Kindly inform your entire management accordingly.

Sincerely yours,

(Signed) CHARLES C. PETHERAM
Charles C. Petheram, M.D.

CCP/AEE

Plaintiff's Exhibit 20

3420. January 10, 1940

Mr. Bechtold, Gen'l Manager
National Hospital Association
Mohawk Bldg.
Portland, Oregon

Dear Mr. Bechtold:

This letter is to notify you and your Association that beginning the 1st of March, 1940, the undersigned physicians and the Hospitals that they represent will no longer accept National Hospital tickets.

As you know, the physicians in Coquille now have a hospital association—which—with the Coos bay and Mast Associations we feel is capable of serving their own communities in Coos' County.

This action is in compliance with the standards governing contract practise as recently set forth by the State Medical Association, whereby it is considered against the best interests of the patient to have a third party (that is a layman) come between the physician and his patient. Here-after, only Hospital Associations owned and operated by physicians will be acceptable by us.

Yours truly

Coquille Hospital

(Signed) J. D. RANKIN, L. B. GOULD

(Signed) M. EARL WILSON
Belle Knife Hospital

(Signed) G. E. STARK M. D.—JAS RUSHMAN
Mast Hospital

(Signed) H H THOMAS
Bandon Hospital

(Signed) E. P. LUCAS

Plaintiff's Exhibit 21

3422 Practice Limited to Internal Medicine

Telephones:
Office, BEacon 6525
Residence, WAlnut 1558

FRANKLIN J. UNDERWOOD, M. D.
913-915 SELLING BUILDING
PORTLAND, OREGON

Feb. 7, 1940

Mr. Page
National Hospital Association
Mohawk Bldg.
Portland, Ore.

Dear Mr. Page:

In view of the stand taken recently by the Medical Society regarding contract practice, and because it is necessary for me to maintain a favorable position with the Society, it seems best that I should discontinue the reference work that I have been doing for the National Hospital Association.

I should like to say that I have enjoyed the National work very much, and am very grateful to you and to the National Staff for the reference work which you have sent.

Cordially yours,

(Signed) F.J. UNDERWOOD M.D.
F.J. Underwood M.D.

Plaintiff's Exhibit 22

3423 Copy

February 13, 1940

Secretary, Jackson County Medical Society
Jackson County, Oregon

Dear Doctor:

The Oregon State Medical Society has recently reminded the county medical societies of this State that it is the primary duty of the county medical societies to handle proceedings of its own members.

The undersigned have information which leads them to believe that Dr. Charles T. Sweeney of Medford has violated the Principles of Medical Ethics, in that:

1. He disposes of his professional attainments or services to lay organizations, contrary to the established code of medical ethics.

2. The organization which he is associated:

(a) prevents, or attempts to prevent, the free choice of physicians;

(b) acts as a third party between the physician and his patient.

3. The results created by (a) and (b) are contrary to the policies of the Oregon State Medical Society, and the ultimate effect is bad for the people as a whole.

We request that this matter be brought to the attention of the Board of Censors of the Jackson County Medical Society. If the above doctor is found guilty of these allegations, we ask that this letter and the action taken by the Board of Censors be officially reported to the Oregon State Medical Society, the American Medical Association, and the American College of Surgeons.

Yours very truly,

(P.S. This was not signed)

OTS

Plaintiff's Exhibit 23

3426 OFFICE PHONE 85 — PRACTICE LIMITED TO
RES. PHONE 85-L — EYE, EAR, NOSE AND THROAT

BERNARD BARKWILL, M. D.
319 HALL BUILDING
MARSHFIELD, OREGON

March 20, 1940

National Hospital Association
Mohawk Building
Portland, Oregon

Attention: Mr. C. C. Bechtold

Dear Mr. Bechtold:

I am answering your letter of March 13, in which you tell me that you were informed that I had written letters to

various doctors requesting that they refuse to treat members of the National Hospital Association.

I have never requested any doctor to stop his connections with the National Hospital Association. As an individual I do not concern myself with the other doctors' business.

However, I must inform you that I am the Secretary of the Coos and Curry County Medical Society for this year. As Secretary, I have been instructed at various times to write letters to the various members in regard to Society business.

Yours truly,

(Signed) BERNARD BARKWILL

BB:McC

Plaintiff's Exhibit 24

3424 CHAS. T. SWEENEY, M. D., F. A. C. S.
PHYSICIAN AND SURGEON
MEDFORD BUILDING
MEDFORD, OREGON

February 15, 1940

Mr. C. C. Bechtold
c/o National Hospital Association
Portland, Oregon

Dear Charles:

I arrived home Sunday evening and on Tuesday afternoon Dr. Durno's office girl left the enclosed letter on my desk with no signature on it. I have not been able to find out that anyone else got one. I did not go to the Medical Society Meeting last night but I am told it was read and referred to the Board of Censors. Now I am not going to take that and like it.

I think the best thing to do for you, myself and others here in Medford who will be attacked next is to furnish me with some photostatic copies of checks issued to and endorsed by some of these fellows who are making such a howl. Finley, Drummond and Everett are the Board of Censors. I understand Everett did not like what was done last night at all. Don't think Finley is at home and don't know what Drummond thinks, but if I had photostatic copies of checks you have paid to and endorsed, say for Finley, Drummond and Lemery and others that you think I might be able to

use. These will not be displayed to anybody but just in order that I may have some of the same sort of letters filed with the Society for their action that have been filed against me. It is either fight fire with fire or just resign and let them have it.

3425 I don't want anything to take place until after their Annual Meeting on the 22nd. I think there will be internal disturbance enough that that might help to break it up and that there will be no action needed at all. I certainly never intend to appear before a Board of Censors composed of young sprouts such as this one is. After forty-nine years of practice of medicine I don't proposed to be told by some interne how to do it now.

I think there is a good chance of getting the Bear Creek back and the Timber Products for you and that will just about take the last peg from under them.

The reason I think a bomb can be touched off at the Annual Meeting is the fact that they haven't paid a doctor bill for three months, unless the inner circle has paid themselves and let the rest of us out. There isn't anything in it, either here or anywhere else under such a set-up as they have recently attempted to set up, or have you looked over the latest announcement sent out by the State Society? It is absolutely unworkable. Now what do you think?

I am coming up to Portland some time next month and will let you know just when, but write me right away.

I really believe photostatic copies would be a big help in blowing up the whole outfit.

Yours sincerely,

(Signed) CHAS. T. SWEENEY M.D.

WGB:LB

Plaintiff's Exhibit 25

3421 M. EARL WILSON, M. D. J. D. RANKIN, M. D.

COQUILLE HOSPITAL
COQUILLE, OREGON

March 15, 1940

C. C. Bechtold
National Hospital Association
Mohawk Building
Portland, Oregon

Dear Mr. Bechtold:

In reply to your letter of March 13, 1940. The reason for our refusing to accept tickets issued by the National Hospital Association is based purely upon the policy of the Medical Economics Bureau of the Oregon State Medical Society. If your association was acceptable to the standards of that committee there will be no question about our refusing services to your members. Our policy is in no way based on our past cordial relations and it is with sincere regret that it was necessary for us to take this step.

Yours truly,

(Signed) J. D. RANKIN
J. D. Rankin, M.D.

(Signed) M. EARL WILSON
M. Earl Wilson, M.D.

JDR:VR

Plaintiff's Exhibit 26

3427-3428

DR. J. O. ROBB
Physician and Surgeon
Hillsboro, Oregon

12-5-41

Carnation Lumber Company
Forest Grove, Oregon

Dear Sir:

Something over a year ago the Oregon State Medical Society went on record as looking with disfavor on the contract practice. In fact, they went so far as to threaten expulsion from the state society, a step we all would hate to

see taken. Until we had something else to offer we hesitated about taking steps to conform with the state society ruling. However, we now feel that we have such facilities for taking care of this contract work and we feel that we must conform with the state society ruling.

Therefore, this will serve as our notice that on and after February 1st, 1942 we will not serve any treatment orders from any hospital association that is not recognized by the State Medical Society.

Very truly yours,

(Signed) J. O. Robb
J. O. Robb

Plaintiff's Exhibit 27

3429

A. O. Pitman, M. D.
F. J. Kabeiseman, M. D.
150 N. Third Avenue
Hillsboro, Oregon

Dec. 8, 1941

Carnation Lbr. Co.
Forest Grove, Oregon

Gentlemen:

Due to unfair and unethical practices of certain commercial hospital association, I am notifying the employers in this community that after Feb. 1, 1942, I will not accept tickets from hospital associations that have not been approved by The Oregon State Medical Society.

At this time and in this community the Multnomah Medical Service Bureau is the only approved Association and I strongly recommend it for your consideration.

Yours very truly,

Dr. A. O. Pitman (Signed)
Dr. A. O. Pitman
150 N. 3rd Ave.
Hillsboro, Oregon

Plaintiff's Exhibit 28

3430

A. O. PITMAN, M. D.
F. J. KABEISEMAN, M. D.
150 N. Third Avenue
Hillsboro, Oregon

Dec. 9, 1941

Carnation Lbr. Co.
Forest Grove, Oregon

Gentlemen:

I am notifying all employers in this community that after Feb. 1, 1942 I will not accept tickets from hospital associations that are not approved by the Oregon State Medical Society of which I am a member.

At this time all employers have the privilege to join the Multnomah Medical Service Bureau which is approved by The Oregon State Medical Society.

Yours very truly,

DR. F. J. KABEISEMAN (Signed)
Dr. F. J. Kabeiseman
150 N. 3rd Ave.
Hillsboro, Oregon

Plaintiff's Exhibit 29

3431

December 11, 1941

Carnation Lumber Co.
Forest Grove, Ore.

Gentlemen:

After February 1, 1942, I will accept authorizations for treatment only from hospital associations which are approved by the Oregon State Medical Society.

Very truly yours,

(Signed) D. E. WILEY, M. D.
D. E. Wiley, M. D.
Hillsboro, Ore.

Plaintiff's Exhibit 30

3432

R. M. KINES, M. D.
Physician & Surgeon
Forest Grove, Ore.

December 15th, 1941

Carnation Lumber Company,
Forest Grove, Oregon.

Dear Sirs:

The Oregon State Medical Society has never been in favor of servicing Hospital Association contracts, which are not controlled by doctors. In accordance with their views, I will be unable to service any medical contract other than Multnomah Medical Service Bureau after February 1st, 1942.

Very truly yours,

(Signed) R. M. KINES M. D.

Plaintiff's Exhibit 31

3433

ROSWELL S. WALTZ, M. D.
Forest Grove, Oregon

December 15, 1941

Carnation Lumber Company
Forest Grove, Oregon

Gentlemen:

More than one year ago action was taken by the Oregon State Medical Society condemning those Physicians who service contracts issued by any Hospital Association other than those recommended by the Society.

In conformity with this policy, after February 1st, 1942, I will service only tickets issued by the Washington County Division of the Multnomah Hospital Association, or other Physician owned Hospital Associations.

Yours truly,

(Signed) ROSWELL S. WALTZ
Roswell S. Waltz, M. D.

RSW:MC

Plaintiff's Exhibit 32

3434

Law Offices

DANIEL D. BUMP
10 Council Street
Forest Grove, Oregon

December 24, 1941

National Hospital Association
Mohawk Building
Portland, Oregon

Gentlemen:

The Forest Grove Clay Products Company has just received notifications from all the doctors of the county that they will service only tickets issued by the Washington County Division of the Multnomah Hospital Association, and of course under those conditions, unless your Association is approved by the Oregon State Medical Society, your contract would be of no value to the Forest Grove Clay Products.

Kindly let me hear from you concerning this matter.

Yours very truly,

(Signed) D. D. BUMP
D. D. Bump

DDB:hh

Plaintiff's Exhibit 33

3435 M. C. FINDLEY, M. D., F. A. C. S.
O. CLEMENT, M. D., F. A. C. S.
WELLS BAUM, M. D.
N. THOMPSON, M. D.

DRS. FINDLEY, CLEMENT, BAUM & THOMPSON
EYE, EAR, NOSE AND THROAT
PHYSICIANS AND SURGEONS
ROOMS 202-11 GUARDIAN BUILDING
SALEM, OREGON

January 12, 1944

National Hospital Association
Mohawk Building
Portland, 4, Oregon

Gentlemen:

We are herewith returning your check for $18.00, payment of the O.B. Lyday account. Since the doctors here are under contract with Oregon Physicians' Service, *they are not allowed* to accept checks from any other Hospital Association. Mr. Lyday will have to pay the account personally.

Yours very truly,

DRS. FINDLEY, CLEMENT, BAUM & THOMPSON

(Signed) G. ELLIOTT

Plaintiff's Exhibit 34

3436 (Emblem) NATIONAL
HOSPITAL ASSOCIATION
World wide medical and hospital security

ESTABLISHED 1906
ATWATER 5291

MOHAWK BUILDING, 716 S. W. THIRD
PORTLAND, OREGON U.S.A.

April 29, 1947

Mr. C. C. Bechtold
National Hospital Association
Portland, Oregon

Dear Mr. Bechtold:

I have a matter which I feel you should know about. Mrs. Steregere reported an employee of Medco went to Dr. Finley of Medford regarding a D.E. injury. The employee reported back to her Dr. Finley's reaction. He told him he wouldn't take N.H.A. cases, said he had a big stack of bills you had never paid. Then told him O.P.S. has all the business here now, saying N.H.A. had only four places left in Medford. He told the man he would bill him direct for his services.

The medco employee is Mr. Chas. Strayer and a friend of ours, but such propaganda is not good.

Very Truly Yours

(Signed) LOTUS EATON R N
Timber Products Co.
Medford Oregon

Mr. McKeen is in California, or I would have called the matter to his attention

Plaintiff's Exhibit 35

REGNER W. KULLBERG, M. D.
BENJAMIN LUND, M. D.
3437 DUNCAN A. MCLAUCHLAN, M. D.
CLYDE C. PARLOVA, M. D.
PHYSICIANS AND SURGEONS

MEDICAL ARTS CLINIC
206 First National Bank Bldg.
Astoria, Oregon

April 20, 1948

National Hospital Association
732 S. W. Third Avenue
Portland, 4, Oregon

Re: Norman Lowrey

Dear Sirs:

We are returning the enclosed check to you as we do not accept checks made payable to the doctors.

Would you please make the check payable to Norman Lowrey.

Very truly yours,

Medical Arts Clinic

(Signed) By J. M.

/m
encl:

Plaintiff's Exhibit 37

3438 Kercher Lumber Co.
Glenwood, Oregon

To enable us to consider bills we have received for care of Fred A. Spafford, reported to be an employe of your company, will you please furnish us the information requested below. Your early reply will be appreciated.

National Hospital Association

Is above-named patient one of your employes? Yes Has he been paying dues under your contract with this Association? Yes What date did he last work? March 13th, 1947 Has he permanently left your employ or did he leave because of illness? (Injury)

PLEASE FILL IN BELOW THE NUMBER OF DAYS THIS EMPLOYE WORKED IN MONTHS LISTED AND THE AMOUNT OF HOSPITAL DUES PAID BY HIM FOR EACH OF THOSE MONTHS.

Employe worked -22- days in February '47 Amount Paid 3.00

Employe worked -11- days in March '47 Amount Paid 3.00

If employe has worked for you previous to the months listed above, please state approximate period Since March, 1946 Does employe work directly for your company? Yes If he works for a subcontractor, give subcontractor's name — Is condition for which employe is under treatment the result of an injury? Yes. If so, did injury occur during working hours? No Has report been sent to the compensation insurance carrier? No Who carries your workmen's compensation State of Oregon. If employe was injured away from work, please give particulars Cutting a block of wood at his home with a long handle double bitted axe. Axe handle caught on trouser leg which deflated the intended blow causing blade of axe to strike and severely cut the back of left hand and fracture small finger.

SPECIAL INFORMATION

After the accident, Mr. Spafford came to my residence which is only a short distance away and I rushed him to Forest Grove for medical attention. Being unable to procure a doctor there, I took him to Hillsboro, Dr. F. J. Kabeiseman was the attending physician and upon advising him that Mr. Spafford was covered by National Hospital Ass'n, he stated this would not be acceptable to him and that Mr. Spafford would have to pay the bill direct. Please advise as to the status in this case and as to others which might occur.

(Signed) W. L. KERCHER

Signature of Employer
W. L Kercher

Date 3/21/47

Plaintiff's Exhibit 38

3439

ROBERT L. BENSON, M. D.
FRANK PERLMAN, M. D.
ROY R. MATTERI, M. D.
PHYSICIANS
406 MEDICAL-DENTAL BLDG.
Portland 5, Oregon

April 9, 1948.

Mr. C. C. Bechtold,
National Hospital Association,
732 S. W. Third St.,
Portland, Oregon.

Dear Mr. Bechtold:

It has come to my attention that we physicians in this office are practicing contrary to the rulings of the City and County Medical Society, and the State Medical Society, by accepting patients from the Hospital Associations, and especially accepting checks. It follows then that if I am to maintain my membership in the City and County, State, and National organizations I shall have to discontinue the practice, and henceforth accept patients only on a private basis.

I have decided therefore that, until the medical profession becomes broad enough to get along together and integrate themselves into a single group for the betterment of the health of the country, as well as of their own interests, I shall have to conform. It is not my wish to promote this division of our forces, but until a better solution is reached I shall have to accept patients only on a private basis.

In the meantime, you have my assurance that I maintain the friendliest feelings toward yourself and the well qualified physicians and surgeons in your organization.

Sincerely yours,

(Signed) ROBERT L. BENSON

RLB:rw

Plaintiff's Exhibit 39

3440

ROBERT L. BENSON, M. D.
FRANK PERLMAN, M. D.
ROY R. MATTERI, M. D.
PHYSICIANS
406 MEDICAL-DENTAL BLDG.

Portland 5, Oregon
April 22, 1948.

Mr. C. C. Bechtold, General Manager,
National Hospital Association,
732 S. W. Third Ave.,
Portland 4, Oregon.

Dear Mr. Bechtold:

In regard to my recent letter to you in connection with acceptance of patients from your association, I feel that I owe you certain clarifying details. First, let me assure you that there have been no developments in the Society recently that have any bearing on this subject. I am merely aware of the fact that the Society has for years taken a stand against the acceptance of remuneration by its members from the various hospital associations. Oddly enough, it would appear that the main fret is about the acceptance of checks from the associations.

Let me state frankly that I have been for several years opposed to this attitude, as I have come to see that your association is in reality offering a broad choice of physicians, and is in general conducting an ethical type of practice. As you state in your letter, your organization has made it possible for its members to obtain medical help which their finances would otherwise not allow them to get. At the same time it has reimbursed the physician fairly for his services, and has, it seems to me, promoted a high standard of medical care.

You will gather from the above statements that I am making no complaint against your methods of practice. It seems to me that all legitimate groups in the medical profession should now aim at the high goal of promoting a better standard of medical care, making possible a prepaid plan which will be within the reach of all wage earners, combating the general federalization of medical practice, and leaving only the indigent to be fretted about by aspiring politicians. We are working toward an overall plan.

Until such time as the various ethical factions in medicine can come to some agreement, I find that it is going to be necessary for me to clarify my own position. The Medical Society has ruled that members may not accept remuneration from the private hospital associations. To this I shall have to conform, even though I feel that it will tend in many cases to hinder rather than to promote a free choice of physicians.

Very sincerely yours,

(Signed) ROBERT L. BENSON

RLB:rw

3441 April 12, 1948

Dr. Robert L. Benson
Medical Dental Bldg.
Portland, Oregon

Dear Dr. Benson:

My General Manager, Mr. Ray Brunkow, has just called my attention to your letter of April 9th. It is with regret that I note its contents for it seemingly indicates that pressure has been brought to cause a reversal of the cordial relations that have existed between your office and ours for several years.

It is somewhat of a surprise to receive your letter at this very late date as I have felt that organized medicine's attitude had softened somewhat and that it was becoming apparent that close cooperation of the profession and existing "medical service organizations" was necessary to stave off the nationalization of our profession. Our business office just completed its annual survey and informs me that approximately 1200 doctors and dentists made direct to and/or received direct payment from our organization.

I heartily agree with you when you state, to use your words, that we members of the medical profession should be broad enough to get along together. I am convinced that discrimination, whether fostered by insurance companies or by the profession, gives added impetus to those who seek the encroachment of socialized or political medicine.

Our organization, which is owned *entirely* by members of the medical profession has conducted the highest type of ethical program by elimination of lists and the "panel"

system and not only provides for but advocates complete freedom in selection of doctor. Payment for service is made either direct to the doctor or by reimbursement to the patient.

Your final decision as to method of billing will have no bearing on our liability or on our subscribers' eligibility for your services. However, I will greatly appreciate your letting me know if this change is the result of any misunderstanding with our business office or method of operation.

Very respectfully yours,

Chester C. Moore, M. D.

CCM:dk

3442

ROBERT L. BENSON, M. D.
FRANK PERLMAN, M. D.
ROY R. MATTERI, M. D.
PHYSICIANS
406 MEDICAL-DENTAL BLDG.

Portland 5, Oregon

April 22, 1948.

Dr. Chester C. Moore,
538 Medical Arts Bldg.,
Portland 5, Oregon.

Dear Chester:

Let me assure you that I was no more happy in writing you last week about professional relationship with your association than you were on receiving the letter. My personal and professional feelings toward you have always been friendly and cordial, and I feel no change now in that regard. It seems to me that we should all practice together on a free basis, and should be able to exchange patients on an ethical basis. If there is any change of attitude on my part it is in the direction of more freedom in practice, rather than further curtailment. Neither has there been any pressure brought to bear on me in this connection, at least nothing new.

It is my belief that the various factions which have been created in the legitimate medical profession should be dissolved, and that all ethical members should have the privilege of accepting a patient who was referred by any physician, or any legitimate group of physicians. Moreover, I am convinced that the established hospital associations are as much entitled to carry on a group practice as

are the railroads, and the various fraternal insurance organizations. I accordingly am desirous of clarifying my position without being suspected of selfish reasons.

There is no doubt in my mind that your organization, owned entirely by members of the medical profession, conducts an ethical program which allows the selection of high grade specialists, without the necessity of any panel system. This surely permits a broad choice of physicians within the discretion of the patient. My dissatisfaction is not aimed at your methods, or the quality of practice offered, but rather at the dissention created in the medical profession. It is my hope that eventually the whole body of ethical physicians will get together in one great organization, with the aim of improving medical practice, and at the same time solving the need for a feasible prepaid plan. It is to be expected that there may be several legitimate prepaid medical plans, but it should be possible to reconcile the whole, and offer a system which will solve the national need. We might then combine to combat the threat of federalized medicine.

For the present it seems that I shall have to conform to the rule that I am not to be remunerated directly by a hospital association, but rather have the patient pay me directly. I naturally hope that this will not militate to prevent any patient from exerting his free choice of any physician, including myself, whom he may wish to consult. I hope to see you in the near future and talk this whole matter over.

Cordially yours,

(Signed) Bob.

RLB:rw

3443

Robert L. Benson, M. D.
Frank Perlman, M. D.
Roy R. Matteri, M. D.
Physicians
406 Medical-Dental Bldg.

Portland 5, Oregon

April 9, 1948.

Industrial Hospital Association,
Medical Arts Bldg.,
Portland 5, Oregon.

Dear Sirs:

It has come to my attention that we physicians in this office are practicing contrary to the rulings of the City and

County Medical Society, and the State Medical Society, by accepting patients from the hospital associations, and especially accepting checks. It follows then that if I am to maintain my membership in the City and County, State, and national organizations I shall have to discontinue this practice, and henceforth accept patients only on a private basis.

I have decided therefore that, until the medical profession becomes broad enough to get along together and integrate themselves into a single group for the betterment of the health of the country, as well as of their own interests, I shall have to conform. It is not my wish to promote this division of our forces, but until a better solution is reached I shall have to accept patients only on a private basis.

In the meantime, you have my assurance that I maintain the friendliest feelings toward the well qualified physicians and surgeons in your organization.

Sincerely yours,

(Signed) ROBERT L. BENSON

RLB:rw

3444

ROBERT L. BENSON, M. D.
FRANK PERLMAN, M. D.
ROY R. MATTERI, M. D.
PHYSICIANS
406 Medical-Dental Bldg.

Portland 5, Oregon

April 9, 1948.

Prudential Hospital Association,
Morgan Building,
Portland, Oregon.

Dear Sirs:

It has come to my attention that we physicians in this office are practicing contrary to the rulings of the City and County Medical Society, and the State Medical Society, by accepting patients from the hospital associations, and especially accepting checks. It follows then that if I am to maintain my membership in the City and County, State, and national organizations I shall have to discontinue this practice, and henceforth accept patients only on a private basis.

I have decided therefore that, until the medical profession becomes broad enough to get along together and integrate themselves into a single group for the betterment of the health of the country, as well as of their own interests, I shall have to conform. It is not my wish to promote this division of our forces, but until a better solution is reached I shall have to accept patients only on a private basis.

In the meantime, you have my assurance that I maintain the friendliest feelings toward the well qualified physicians and surgeons in your organization.

Sincerely yours,

(Signed) ROBERT L. BENSON

RLB:rw

Plaintiff's Exhibit 40

3445

CHARLES E. SEARS JOHN R. MONTAGUE MATTHEW C. RIDDLE
FRANK S. DIETRICH

PHYSICIANS

ASSOCIATES IN INTERNAL MEDICINE
MEDICAL ARTS BUILDING
PORTLAND 5, OREGON

October 18, 1945

Mr. Robert Lord
2819 East 24th Avenue
Vancouver, Washington

Dear Mr. Lord:

I am sorry to have delayed in returning this blank. Because of the fact the National Hospital Association is not recognized by the Medical Society, I am under obligation to not fill out any of their blanks. However, this communication is addressed to you, and I will state the diagnosis, then you can present the letter to the Association and they will honor the bill. The diagnosis is hypothyroidism—mild, and functional heart disorder.

I hope to hear from you sometime soon as to progress.

With kindest personal regards, I am

Sincerely,

(Signed) JOHN R. MONTAGUE

JRM:S

Plaintiff's Exhibit 41

3446

JAMES L. SEARS, M.D.
PRACTICE LIMITED TO EYE, EAR, NOSE AND THROAT
209 GUARDIAN BUILDING
SALEM, OREGON

January 23, 1946

Miss D. Shene
First Aid Nurse
C. D. Johnson Mill
Toledo, Oregon

Re: Maxine Preston

Dear Miss Shene:

Your letter of the 21st at hand.

As several months have elapsed since I have seen this girl, I feel that it will be necessary to check her before operation. This could be done the day before she goes into the hospital if that would suit her best.

Few, if any, Eye Doctors that I know will accept National Hospital slips. I will do the work, for which you can pay me and render your receipted bill to the Hospital Association. They have seldom failed to pay your bill. Our own organization will not allow us to accept checks from the National Hospital Association.

My surgical schedule and the hospital shortage of beds will not give us time to do this operation before March. This is due to the fact that I will be going South the last two weeks in February. If you would like to come out the first week in February, any day except Thursday or Saturday, I will be glad to make further arrangements with you.

Very truly yours,

(Signed) By J. L. SEARS.

JAMES L. SEARS, M. D.

JLS/ck

Plaintiff's Exhibit 42

3447 (Emblem) NATIONAL
HOSPITAL ASSOCIATION

World wide medical and hospital security

ESTABLISHED 1906
ATWATER 5291

MOHAWK BUILDING, 716 S. W. THIRD
PORTLAND, OREGON U.S.A.

February 7, 1946

Edith E. Wright
2505 Madison
Eugene, Ore.

Dear Miss Wright:

We regret to learn that you have permitted your contract with the National Hospital Association to lapse. Our records do not show why you have chosen to discontinue your membership with us and we are especially interested in this information since we feel that perhaps we may have failed in some way to fulfill your expectations.

It is our constant purpose to improve the services of this association for the benefit of our members, and we will appreciate your noting the reasons for dropping your membership on the back of this letter and returning it in the enclosed self-addressed envelope. Your comments may be the means of calling our attention to some fault which may be corrected, or if an adjustment is in order, it may be to your personal interest to inform us the circumstances.

In any event, your answer will be sincerely appreciated and we hope we will soon hear from you.

Very truly yours,

NATIONAL HOSPITAL ASSOCIATION

(Signed) GLENN A. BECHTOLD

Glenn A. Bechtold
Mgr. Individual & Family Dept.

GAB:hs

(Reverse Side)

3448 National Hospital Assoc.
Mohawk Bldg.
716 S. W. 3rd
Portland 5, Ore.

Att: Mr. Glenn A. Bechtold

Gentlemen:

I certainly appreciate the interest shown in my behalf by your association and want to thank you.

I wish to assure you the reason I let my contract with you lapse was certainly not that I was dissatisfied with in any way with any of your policies, but that as I explained in a previous letter I was virtually forced to join one of the Assoc. here who dominate Eugene, as to try and get any cooperation from the doctors here is practically an impossibility. For example a year ago I had to take a course of Vitamin B intraveneous injections and of course presented my card showing I was a paid up member of the National. The doctor refused to acknowledge the Assoc. so I paid myself except for $18.00 that I could not meet at the time as I was not employed. I asked twice an itemized statement explaining my reason as I felt sure the account would be recognized by you but all I ever received was a lumped statement for "services rendered" and knew that such a statement if presented to *any* Assoc. would be inadequate so paid the bill myself as soon as possible.

I wrote you folks sometime ago explaining the situation here and received your sincere assurance that I need not be forced by their game of freeze-out to join either of the two Assoc. here, that your protection was guaranteed which I certainly appreciated but due to the fact that so much trouble was involved finally joined the Pacific Hospital Assoc. here but only by the month. I would sincerely rather continue with you as I have heard so many complaints in connection with the Associations here, which I could not vouch for having had no experience with them myself but the fact that they practically force a person to belong or go without protection just naturally meets with my disapproval. If you will let me know what would be necessary to become reinstated and the cost believe I will drop out here and if necessary fight it out as your sincere interest in me is most convincing.

Sincerely yours,

(Signed) Edith Wright

Plaintiff's Exhibit 43

3449 CHAS. A. HAINES, M. D.
PHYSICIAN AND SURGEON
ASHLAND, OREGON

December 29, 1943

National Hospital Association
Portland, Oregon

Dear Mr. Bechtold:

In answer to your letter of December 27, I wish to state that *it is through no fault of the Association that I am not taking any more slips by them,* but I promised the Oregon Physicians Service that when all the other Dr's. quit the National I would also. I am the last Dr. to do so. Thanking you for all the courtesy that I have received.

Yours truly,

(Signed) CHARLES A. HAINES

(Signed) CHAS. A. HAINES M D

Plaintiff's Exhibit 44

3450 PHONES:
OFFICE, 82
Residence, 33F23

MILTON V. WALKER, M. D.
PHYSICIAN AND SURGEON
MAIN AT FIFTH • SPRINGFIELD, OREGON

March 8, 1940.

Mr. C. C. Bechtold,
National Hospital Assoc.,
Portland, Oregon.

Dear Mr. Bechtold:

Your letter of March 7th, in regard to accepting National Hospital Association checks was received.

In January of this year we wrote in regard to this matter explaining that due to the action of the Lane County Medical Society it would be no longer possible for us to accept checks directly from the Association. On January 19th we received acknowledgement from Mr. W. J. Page saying he appreciated the circumstances.

I am truly sorry that this situation has arisen because my dealings with the National Hospital Association during the past nine years have been very satisfactory and our relations have always been most cordial. I have never received anything but the most courteous treatment and have no personal feelings in this matter whatever. *The Medical Society has simply issued what practically amounts to an ultimatum that it's members can no longer accept checks directly from your Association without being expelled from membership.*

Again let me express my appreciation for past favors and assure you of my continued endeavor to cooperate with you.

Very truly yours,

(Signed) MILTON V. WALKER, M. D.

Milton V. Walker, M. D.

MVW:J

Plaintiff's Exhibit 45

3451 HARVEY G. PARKER – LYLE B. KINGERY – ALFERD H. ILLGE
PHYSICIANS AND SURGEONS
SUITE 349 MEDICAL ARTS BUILDING
PORTLAND, OREGON

June Tenth, 1940

National Hospital Association,
Mohawk Building,
Portland, Oregon.

Gentlemen:

As per our telephone conversation of several weeks ago, The Board of Censors of the Multnomah County Medical Society has informed me that a continuation of my consultant services to your organization as rendered in the past, *will result in my expulsion from the Society.* In spite of the fact that I have at no time knowingly acted at variance with the rules of medical ethics, I have no choice but to acquiesce in their ruling.

Very truly yours,

(Signed) LYLE B. KINGERY

Lyle B. Kingery

lbk/a

Plaintiff's Exhibit 47

3452 JOHN G. P. CLELAND, M. D. C
FOURTH FLOOR MASONIC BUILDING O
OREGON CITY, OREGON P
Y

May 24, 1947

Mr. J. D. Sweet
Rt. 1, Box 238
Clackamas, Oregon

Dear Mr. Sweet:

We received your letter and the form from National Hospital Association, and regret to tell you that Dr. Cleland does not cooperate with that particular association. By that, I mean he does not fill out the blanks like you sent. We are of the opinion that if you present the enclosed receipted bill to the group, you will be reimbursed. Thank you for the check.

Very truly yours,

Dr. Cleland's Office

(Signed) H. ROBINSON
H. Robinson, Bookkeeper

Plaintiff's Exhibit 48

3454 A. N. JOHNSON, M. C., D.N.B., M.P.H. C
Physician and Surgeon O
SUITE 206 MEDICAL ARTS BUILDING P
TELEPHONES: OFFICE 184, RESIDENCE 437 Y
ROSEBURG, OREGON

3/24/47

Dear Mrs. Stonebreaker:

As I told you when you left here, I have no agreement with the insurance company. I treated you as a private patient, you paid me for the services rendered. Therefore, I can see no reason why I should fill out any blank. If you will fill in your part of the form I am sure they will reimburse you, without further quibbling.

Sincerely yours,

(Signed) A. N. Johnson, M. D.

Plaintiff's Exhibit 49

3456

PAUL H. HOMANN, M.D.
Physician & Surgeon
1006-7 Weatherly Building
Portland 14, Oregon

May 19, 1944

Mrs. M. H. Tweedie
1604 S. E. 29th Avenue
Portland 15, Oregon

Dear Mrs. Tweedie:

Enclosed is the check which came in this morning to pay your bill. As I am on the list of the Oregon Physicians Service, I am not allowed to sign a check of any other health association operating in the same district.

There is a way, however, that this can be handled. If you will pay the bill personally and present the National Hospital Association with your receipted bill they will refund you for the amount of it.

May I hear from you?

Yours truly,

Paul H. Homann, M. D.

PHH:ms

C
O
P
Y

Plaintiff's Exhibit 50

3457

N. E. WARD, M. D.
615 Broadway
Phone 733-W
SEASIDE, OREGON

April 23, 1947

National Hospital Association
732 S. W. Third Avenue
Portland 4, Oregon

Dear Sir:

Please find enclosed check which I am unable to accept. It is suggested that you make your insurance payment to

Mr. Norris. It will be necessary for Mr. Norris to pay directly to me for the bill.

Sincerely;

(Signed) N. E. WARD
Needham E. Ward M. D.

NW/ph
Enc:

Plaintiff's Exhibit 51

3458

J. E. VINSON, M. D.
119 NORTH HOLLADAY DRIVE
SEASIDE, OREGON

PHONE 226

5/20/1947

National Hospital Association
732 S. W. Third Avenue
Portland 4, Oregon

Dear Sirs:—

I am returning herewith check in amount of $60.00 just received from you in payment of services rendered to Mrs. J. Goodman.

These services were rendered to Mrs. Goodman personally and it is not my policy to accept payments from any third party. If you wish to make payment to Mrs. Goodman direct, that is entirely a matter between you two.

In the future please do not make payment to me direct for any services rendered to a patient of mine, that might be a member of your association.

Very truly yours,

(Signed) J. E. VINSON
J. E. Vinson, M. D.

Plaintiff's Exhibit 52

3459

SHIPLEY'S DRIFT WOOD
AUTO & TRAILER CAMP
MODERN AND GAS EQUIPPED COTTAGES
CANNON BEACH, OREGON

Sept. 8, 1947

National Hospital
Assn. Portland Ore

I am sending you a bill from Dr. Ward. I sent you a bill before and I guess you sent him a check that he returned. As he could not except. So please send me the check.

Yours truly

(Signed) E. F. SHIPLEY
Box 27
Cannon Beach
Ore.

3460

N. E. WARD, M. D.
615 Broadway
Phone 733-W
SEASIDE, OREGON

8/1/47

To: Mr. E. F. Shipley
Cannon Beach
Box 27, Ore.

Leonard & Slate

FOR PROFESSIONAL SERVICES

2 June '47	office call	$3.50
	urinalysis	2.00
		$5.50

Please send this bill to your insurance company and have them write a check payable to *you* and not to Dr. Ward.

Due to a ruling of the Clatsop County Medical Association no doctor can accept checks from the company. They pay you and you pay the doctor.

Plaintiff's Exhibit 53

3461

A. J. LOEFFLER, M. D.
MEDFORD, OREGON

9/29/47

National Hosp. Assn.
Portland, Ore.

Dear Sirs:

Enclosed is a check made out to me for services rendered Douglas Lewis.

In compliance with the policy established by Jackson County Medical Society, I am not in a position to accept payment direct from N. H. A. but will have to look to the patients parents for payment of this bill.

Your truly,

(Signed) A. J. LOEFFLER

Plaintiff's Exhibit 54

3462

UNIVERSITY OF OREGON MEDICAL SCHOOL
DEPARTMENT OF OPHTHALMOLOGY
3131 S W. MARQUAM HILL ROAD, PORTLAND 1, OREGON

October 3, 1947

Automobile Market
1016 North Riverside
Medford, Oregon

Re: Mr. Don L. Cruse

Gentlemen:

I am not permitted to make a report direct to the National Hospital Association. A copy of my letter to you of August 9th attached to their claim should suffice.

Yours truly,

(Signed) KENNETH C. SWAN
Kenneth C. Swan, M. D.

KCS:jk

Plaintiff's Exhibit 55

3463 **AFFIDAVIT**

Since she has no telephone at her house, which is located near the mill, Mrs. M. B. Henson came in to the first aid station on April 7, in the afternoon, stating that her husband was very ill and suffering from severe pains in the stomach and running a high fever. I called Dr. Antony's office and talked with his office girl, telling her the man's condition. She inquired as to directions for getting to the home.

The girl apparently turned to the doctor and explained the situation to him. She then returned to the telephone and asked who was calling. I advised that it was the nurse from the Medford Corporation first aid station calling for Mrs. Henson, who had come to request me to call the doctor for her husband.

The girl apparently again talked to the doctor and returned to the telephone stating that the doctor wanted to know if she had the cash in the house to make payment for the call.

I advised Mrs. Henson of what had been said and she told me that she did not have money in the house.

I then told the doctor's office girl that I would personally guarantee the amount of the bill but she stated that he could not come; that they did not have anything to do with National Hospital Association cases. When all arguments appeared futile, I called another doctor.

LILLIAN STERIGERB
Attendant
Medford Corporation first aid station

Medford, Oregon
April 10, 1948

Plaintiff's Exhibit 56

3464 F. KENNETH POWER, M. D.
WOLCOTT E. BUREN, M. D.
VERN W. MILLER, M. D., F.A.C.S.
STUART M. LANCEFIELD, M. D.
A. T. KING, M. D., F.A.C.C.P.
PHYSICIANS AND SURGEONS

SALEM, OREGON January 21, 1948

Mr. Henry Wolz
910 Norway Street
Salem, Oregon

Dear Mr. Wolz:

We are returning herewith the National Hospital Association check in the amount of $95.00.

As explained in our letter to Mrs. Wolz under the date of January 6, we would appreciate it if you would ask the Hospital Association to make this check payable to you and you, in turn, remit to us, as this is our method of handling these accounts.

Very truly yours,

(Signed) JESSE CROZIER
Bookkeeper

rb
Enc

Plaintiff's Exhibit 61

3465 NATIONAL HOSPITAL ASSOCIATION
TOP FLOOR MOHAWK BUILDING
PORTLAND 4, OREGON

November 26, 1947

MEMO:

To: Mr Bechtold

RE: L. L. Evans
George Gray Logging Company
Seaside, Oregon

On March 28, 1947, while opening a can of Spam at home with a can opener, his hand slipped and he badly lacerated his third and fourth finger, severing the tendon in the fourth finger. This became infected and on April 13 he was admitted to the Seaside Hospital. Mr. Evans was

treated by Dr. Vinson of Seaside and when the treatment was finished Dr. Vinson presented Mr. Evans with a bill for $65.00. The Gray Logging Company asked them, to mail the check to them direct and they would present it to the doctor. The check was issued on May 21, 1947 to the amount of $65.00 (check #5348-First National Bank of Portland). Mr. R. H. Muhme, office man, for the Gray Logging Company presented this check to Dr. Vincent which he refused to accept and stated that he would not accept any checks for his services from the National Hospital Association.

A couple of months after this George S. Gray, the owner of this outfit called Dr. Vinson on the telephone and told him if he needed any money he had a check for $65.00 for him. Dr. Vinson asked if it was a National Hospital check and Mr. Gray informed him that it was, and he stated again that he would not accept it. Mr. Gray told him if he would not accept this, as far as he was concerned he never would be paid. Dr. Vinson replied that that would not be the first money he ever lost. Later on, Mr. Gray mailed the check to Dr. Vincent in a plain envelope and to date it has not been cashed or returned to Mr. Gray or ourselves.

L. C. Monnie.

(Signed) L. C. MONNIE

CM;mlb

Plaintiff's Exhibit 62

3466 NATIONAL HOSPITAL ASSOCIATION
TOP FLOOR MOHAWK BUILDING
PORTLAND, OREGON

May 20, 1940

MEMO:

Dr. C. E. Brous called May 15 reporting that he had recently attended a meeting in the Pittock Block at the offices of the Multnomah Medical Service Bureau. At this meeting were representatives of the executive committee of the Multnomah Medical Service Bureau and Dr. Gambee representing the Oregon State Medical Society. The purpose of the meeting according to Dr. Brous was to request Dr. Brous, Dr. Palmer, Drs. Boyd & Phillips, and Dr. Swart to

discontinue care of patients coming under contracts of the so-called lay hospital associations, also the Doctors were to use their best efforts through employes of the various companies contracting with the lay-owned hospital associations to solicit them to influence their employers and unions to replace the lay-owned hospital association contracts with contracts from the Multnomah Medical Service Bureau. The Oregon State Medical Society's interest in the matter was that any doctor who is caring for members of the lay-owned hospital association is violating medical ethics and must discontinue or be expelled from the Society. Dr. Brous reported he had very little to say at the meeting but assured me that his business is the practice of medicine and patients reporting to him would be given care regardless to what association they belong. He suggested we ask Dr. Palmer who apparently was the main spokesman and also Drs. Boyd & Phillips for their views on the matter.

W. J. Page

WJP/mk

Plaintiff's Exhibit 63

3467

THORFINN THARALDSEN, M. D.,
Physician and Surgeon
4th Floor Mohawk Building
Portland, Oregon

November 23, 1936

Dr. T. Tharaldsen
Mohawk Bldg.
Portland, Oregon

Dear Dr. Tharaldsen:

At a meeting of the Board of Censors of the Multnomah County Medical Society, held on November 20, 1936, the Board considered the charges filed against you by the Grievance Committee.

The Board considered all the evidence, including your written reply of November 19, 1936.

After due deliberation, the Board of Censors voted to recommend to the Council that the charges have been sus-

tained and that you be expelled from the Multnomah County Medical Society.

Very truly yours,

MULTNOMAH COUNTY MEDICAL SOCIETY

by CHARLES E. SEARS (Signed)
Chairman, Board of Censors

(Copy of letter received from Multnomah County Medical Society, Office of the Secretary)

COPY

Plaintiff's Exhibit 64

(Note: This letter written by Dr. Tharaldsen who is deceased.)

3468 December 4, 1936

To the Multnomah County Medical Society:

Gentlemen:

There is a fundamental difference in your conception, as indicated by the council of the Society, and my conception of the duties which physicians and surgeons owe to the public. A considerable portion of the people of our state can have necessary and proper medical care and hospitalization only through so-called "prepaid medicine", accomplished by small monthly payments to a responsible organization which undertakes to furnish care as needed for the sick and injured. In recognition of this condition and necessity, the state of Oregon adopted a public policy of encouraging such service to those who could not otherwise enjoy proper care when the legislature of this state enacted a law providing for hospital associations under state regulation (Laws of Oregon 1917, Chapter 173; Oregon Code Annotated, Volume 3, Section 46-901, et seq).

I believe this is sound public policy. I believe a method of bringing medical and hospital care within the reach of large groups of workers in our industrial plants is essential to society and to the industrial development of our state.

During the years a number of hospital associations have been created under said state law, and operate under state supervision, which have made competent medical and hospital care for our great industrial groups economically

possible. These associations, in many instances, represent a considerable financial investment.

You have now attempted to subvert the declared public policy of the state of Oregon by assailing physicians and surgeons who care for patients sent to them by such hospital associations. Your obvious purpose is to destroy the hospital associations by denying them the services of competent physicians and surgeons. No substitute service is offered by you.

As a matter of principle, I differ with you. I can not admit that the sound public policy of the state of Oregon should be defeated in this manner. Therefore, I resign from the Multnomah County Medical Society, effective immediately.

Very truly yours,

Plaintiff's Exhibit 65

3469 (Copy)

JACKSON COUNTY MEDICAL SOCIETY

December 11, 1939

Doctor Harvey A. Woods, Secretary
Jackson County Medical Society
Ashland, Oregon

Dear Doctor Woods:

At the meeting of the Council of the Oregon State Medical Society on December 3rd, there was an extended discussion concerning the unethical practices of physicians in various parts of the state in connection with unapproved plans of prepaid medical care.

These unethical practices are in conflict with the program of the Society to meet the problem of providing medical care to low-wage industrial workers. No doubt you are familiar with the comprehensive plan of the Society to supply medical care to this group.

Under the Society's program, approved medical service bureaus are operating in a number of counties, including Clackamas, Coos, Jackson, Multnomah, Marion, Tillamook and Union co. nties. By special permission of the Council, plans of prepaid medical care are being offered in Columbia, Hood River, Wasco, Washington and Yamhill Counties

through one of the approved bureaus operating in the counties first named. It will thus be seen that the program of the Society is already reaching into 13 of the 36 counties, including a majority of the industrial centers of the State. Approximately 30,000 employes are now covered under this program.

Plans are under way to provide similar prepaid medical service in a number of other counties, either through the organization of the additional bureaus of local medical services or through one or the other of the existing bureaus. The activities of these approved organizations are coordinated through affiliation with the Bureaus of Medical Economics of the Oregon State Medical Society.

The various approved local medical service bureaus are doing splendid work in meeting the problem of supplying medical care to the low-wage industrial worker. However, their effectiveness in accomplishing this objective has been and is being impeded by the unethical practices of some physicians in the communities where approved bureaus are in operation.

For this reason, at its meeting on December 3d, the Council adopted a motion to the effect that these unethical practices should be scrutinized by the local societies and that each local society should take disciplinary action of any of its members whose practices are found to be unethical. Unless the local societies invoke proper disciplinary proceedings against members engaged in such practices, their affiliation with the Oregon State Medical Society, as component societies will be jeopardized.
The motion adopted by the Council further provided that the local societies institute disciplinary proceedings by January 1, 1940.

Please bring this matter to the attention of your Society for appropriate action.

OREGON STATE MEDICAL SOCIETY

(S) MORRIS L. BRIDGEMAN

Plaintiff's Exhibit 66

3470

THE OREGON PLAN

PROVIDING MEDICAL CARE FOR THE LOW-WAGE INDUSTRIAL GROUP

W. W. BAUM, M.D.

SALEM, ORE.

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3471

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Before setting forth the Oregon plan for providing medical care to the low-wage industrial group, it is necessary that we give consideration to certain facts in the history of contract practice in this state and also to certain peculiarities in the laws of the state of Oregon. Commercial organizations have engaged in the business of supplying medical and hospital care, drugs, nursing and allied services to groups of individuals on a contract basis for over thirty years. It is the general policy of the law of the United States that the practice of medicine, law and other professions shall be confined to certain qualified individuals. Corporations cannot practice medicine or contract to furnish medical care. In 1917 the Oregon State Legislature passed the so-called Hospital Association Act, the effect of which is to permit corporations to contract to furnish medical and allied services without being liable to prosecution for practicing medicine without a license.

The commercial hospital associations, being business organizations, naturally operated along the lines of business rather than medical ethics. Being interested in producing a profit for their owners and stockholders, they

concentrated their efforts on obtaining profitable contracts, usually large industrial groups. As business organizations,
they were primarily interested in pleasing customers
3472 (in this case the subscribers and particularly the
owners and managers of industrial plants, through whom contracts were generally obtained), and often made concessions which were against the best interests of physician and patient in order to sell contracts.

Contract medicine of this type, legalized under the state laws since 1917, spread throughout the state and gave coverage to a large percentage of the industrial groups. The system operated with a fair degree of satisfaction so far as the employee and employer were concerned, but with increasing degree of dissatisfaction on the part of physicians who were in a position to see and appreciate the serious ill-effects of such third party interference upon the traditional physician-patient relationship.

Being dissatisfied with the situation as it existed, the physicians in several communities organized hospital associations which were owned mutually by the physicians and which were operated by them. Since the wage earner and their employers had been educated through many years to the above described type of "hospital association" coverage, it was necessary for the new physician-owned associations to offer them similar coverage and to compete with commercial associations in selling their contracts to employers and employees. That is, it was not possible for the local groups or Oregon State Medical Society to set up and operate an ideal plan or one which was free from all objectionable features; they were forced to accept conditions as they existed and to formulate a plan which would meet those conditions from a practical standpoint. The society studied the problem for several years and at the 1938 meeting adopted a Policy and program for the Medical
Care of Low-Wage Industrial Groups which has
3473 since been modified only in certain details.

Space does not permit setting forth of the plan in complete detail. The basis of the plan was to coordinate the physician-owned mutual organizations which were then operating in various localities, and using this group as a nucleus to encourage the formation of similar local groups in any communities where the need for such contract practice existed. In order to carry on these activities the Oregon State Medical Society set up the Bureau of Medical Economics, which Bureau was composed of (1) the executive committee of the council of the society and (2) one representative from each local organization operating under the

plan. Funds for the operation of the Bureau are provided in part by a contribution from the funds of Oregon State Medical Society and in part by an assessment upon each of the local groups.

Contracts offered to employees under the plan include furnishing of drugs and hospital services. It is hoped in the near future to be able to divorce these and to limit the contracts to furnishing of medical service only. Contracts written under the plan differ in certain details, due to various local requirements, but all offer essentially the following services: (1) all necessary medical and surgical treatment, limited to a period of one year for any one disease; (2) complete hospital service (ward), limited to six months in any one case; (3) all necessary medicines, medical and surgical supplies; (4) dental service for acute conditions and extraction of teeth necessary in treatment of general disease.

Fees paid by subscribers under these contracts vary in different industries and localities, ranging from $1.50 to $2.00 per month. The plan is designed to benefit the low-wage group and the Bureau has recommended that maximum income level of $1000 per year for single persons and $1600 for married persons be adopted as an objective, with each local organization being permitted to fix lower income levels if it so desires.

3474

The Bureau of Medical Economics is guided by the following fundamental principles of policy and program:

1. The principle of local autonomy, namely, that the medical profession in each local community should handle its own affairs, including the determination of the need of any special plan to provide medical care to low-wage industrial groups and the nature of any such plan.

2. The principle that Oregon State Medical Society should act as a clearing-house of information for its component societies and should provide them with the fullest technical assistance in surveying their local conditions, and in developing and installing special plans of medical care where the component societies desire them.

3. The principle that Oregon State Medical Society should retain its independent status as a scientific and educational organization and its censorial functions over all plans for providing medical care.

In granting approval to a local organization and admitting it to membership in the Bureau, it is required that the following principles be observed:

1. All features of medical service in any method of medical practice should be under the control of the medical profession. No other body or individual is legally or educationally equipped to exercise such control.

2. No third party must be permitted to come between the patient and his physician in any medical relation. All responsibility for the character of medical service must be borne by the profession.

3. Patients must have absolute freedom to choose a legally qualified doctor of medicine who will serve them from among all those qualified to practice and who are willing to give service.

4. The method of giving the service must retain a
3475 permanent, confidential relation between the patient and a "family physician." This relation must be the fundamental and dominating feature of any system.

5. All medical phases of all institutions involved in the medical service should be under professional control, it being understood that hospital and medical service should be considered separately. These institutions are but expansions of the equipment of the physician. He is the only one whom the laws of all nations recognize as competent to use them in the delivery of service. The medical profession alone can determine the adequacy and character of such institutions. Their value depends on their operation according to medical standards.

6. In whatever way the cost of medical service may be distributed, it should be paid for by the patient in accordance with his income status and in a manner that is mutually satisfactory.

7. Medical service must have no connection with any cash benefits.

8. Any form of medical service should include within its scope all legally qualified doctors of medicine of the locality covered by its operation who wish to give service under the conditions established.

9. Systems for the relief of low-income classes should be limited strictly to those below the "comfort level" standard of incomes.

10. There should be no restrictions on treatment or prescribing not formulated and enforced by the organized medical profession.

Plaintiff's Exhibit 68

3476

CHARLES F. HOEY, M. D.
Skinner Bldg.
Phoenix, Oregon

November 16, 1948

National Hospital Association
Medford, Oregon

Gentlemen:

In conformity with the Jackson County Medical Association we are herewith returning National Hospital Association check number 8408 for $9.00. Please arrange for payment of this bill the same as you do for other Doctors who are members of the Jackson County Medical Association.

With thanks.

(Signed) CHARLES F. HOEY, M. D.

Charles F. Hoey, M. D.

Plaintiff's Exhibit 68-A

3477 NATIONAL HOSPITAL ASSOCIATION

MEDFORD, OREGON November 13, 1948

PAY TO THE ORDER OF Dr. Charles F. Hoey.....$9.00

Exactly Nine & no/100.....DOLLARS

When Properly Endorsed on the Reverse Side, This Check Constitutes a Receipt of Payment For

For W. B. Coffman — Services Rendered By

10/22, 25 & 11/9/48 Med. — On Above Date or Period

Silver Lumber Company
In Accordance with Above Contract

NATIONAL HOSPITAL ASSOCIATION (REFUND ACCOUNT)

By (Signed) RUTH GASTER
Authorized Signature

MEDFORD BRANCH
THE UNITED STATES NATIONAL BANK
OF PORTLAND, OREGON

96-24 Medford, Oregon.

Plaintiff's Exhibit 70

3478. E. E. LINDELL, M. D.
305 MEDICAL ARTS BUILDING
ROSEBURG, OREGON

TELEPHONE 952

November 15, 1948

National Hospital Association
732 S. W. Third St.
Portland 4, Oregon

Dear Sirs:

We are returning two checks received this morning. We have no record of such charges made to your association. We do have such charges made to these people but payment is their responsibility to us. Therefore the checks are returned to you.

Yours truly,

(Signed) E. E. LINDELL
E. E. Lindell M. D.

(Signed) H. NELS LINDELL
H. Nels Lindell M. D.

Plaintiff's Exhibit 70-A

3479 (Envelope Postmarked Roseburg, Oreg. 1948 Nov 15 830PM)

Lindell Medical Offices
305 Medical Arts Bldg.
Roseburg, Oregon

National Hospital Association
832 S. W. Third Ave.
Portland 4, Oregon

Plaintiff's Exhibit 70-B

3480 NATIONAL HOSPITAL ASSOCIATION

No. 0 9782

PORTLAND, OREGON, Nov 13 1948

PAY TO THE ORDER OF Lindell Medical Office.....$13.00
Registered 5-1-38 $13 and 00 cts.....DOLLARS

NATIONAL HOSPITAL ASSOCIATION

By (Signed) M L LARSEN
SECRETARY AND TREASURER

To THE FIRST NATIONAL BANK
24-4 Portland, Oregon

Countersigned
(Signed) C C BECHTOLD
Vice President and General Manager

3481 NATIONAL HOSPITAL ASSOCIATION

No. 0 9779

PORTLAND, OREGON, Nov 13 1948

PAY TO THE ORDER OF Lindell Medical Office.....$3.00
Registered 5-1-38 $3 and 00 cts.....DOLLARS

NATIONAL HOSPITAL ASSOCIATION

By (Signed) M L LARSEN
SECRETARY AND TREASURER

To THE FIRST NATIONAL BANK
24-4 Portland, Oregon

Countersigned
(Signed) C C BECHTOLD
Vice President and General Manager

Plaintiff's Exhibit 71

3482

SCHEDULE OF MEDICAL
AND
SURGICAL FEES

(With General Coverage and Application Information)

Payable by the

NATIONAL

HOSPITAL ASSOCIATION

Under Its

GROUP EMPLOYE CONTRACTS

on cases arising on or after September 1, 1946

••

(Emblem)

732 S.W. Third Avenue

Portland, Oregon

•••

Established in 1906

3483

INDEX

	Page
CALL FEES	2
COMPENSATION COVERAGE	20
CONTRACT COVERAGE	19
GENERAL INFORMATION FOR DOCTORS	18-19
HOSPITAL CARE	20-21
LABORATORY	13-14
PAYMENT OF BILLS	21
SPECIAL PROCEDURES	
Fee application information	3
SPECIAL PROCEDURE FEES	
Eye, ear, nose and throat	4-5
General	3-4

Neurology 5
Proctology 5
Urology 5

SURGERY
Fee application information 6

SURGERY FEES
Abdominal 6-7
Amputations 9
Dislocations 10
Ear 9
Eye 8
Fractures 11-12
General 7
Gynecology 8
Nose 9
Neurosurgery 9
Orthopedic 10-11
Proctology 7
Throat 9
Urology 7-8

X-RAY
Fee application information 15

X-RAY FEES
Diagnostic 15-16-17
Fluoroscopic 17
Theraputic 17-18

3484

FOREWORD

The fees contained in this schedule will be paid by the National Hospital Association for the benefit of employees under its group employee contracts. These fees are not subject to discounts or other percentage reductions and will be paid as listed.

It will be understood, of course, that the Association cannot assume an employee's bills until his eligibility to the service at the expense of the Association has been established, and doctors will greatly facilitate payments of their accounts by properly itemizing their bills and otherwise cooperating with their patients in establishing their claims with the Association. Bills will be paid direct to the attending doctors or in reimbursement to the employee.

3501 • • • • • •

General Information for Doctors

1. Cases critical or unusual in their nature should be reported to the Association at once, and any case requiring services over a period longer than thirty days should be reported to the Association each thirty-day period. The doctor's report should show patient's condition, progress, and an estimate of the additional care required. Doctors will protect their accounts and avoid misunderstandings by a strict compliance with this regulation.

2. The Association will assume charges for Physical Examinations (Not physical checkups or for marriage, insurance, employment, eye refractions, etc.) only to the extent necessary to diagnose a particular existing condition. Charges will not be assumed for x-rays or laboratory examinations that are excessive or that do not relate to the particular condition under treatment.

3. Doctors desiring to refer patients to specialists for examination or care are requested to report such cases to the Association. To avoid misunderstandings it is desirable that the Association be notified in advance, with report of history and diagnosis so that the patient's eligibility to care under the contract may first be determined.

4. Pathological reports of tissue examinations must be furnished the Association by the hospitals. Where hospitals do not maintain recognized pathological departments, specimens, properly prepared, should be sent to the nearest registered pathologist or to the offices of the National Hospital Association in Portland.

3502 5. Charges for Prescription Medicines are not assumed by the Association except when employees are necessarily confined in a hospital.

This schedule is intended for usual services, and payments will be made in conformance with fees listed. Fees for operations and special procedures not listed will be paid on the basis of the listed fee for the operation or special procedure most comparable.

Contract Coverage

Except as hereinafter stated National Hospital Association contracts for employed groups provide for medical and surgical services, hospital care and related services for acute sicknesses and away-from-employment injuries oc-

curring any time in which the employee's dues have been paid. The contracts also provide services for certain chronic conditions where the condition becomes acute after certain periods of coverage, stated in the particular contract.

Benefits are not included for the following conditions: Insanity, Mental Disorders, Senility, Pregnancy and Childbirth and conditions arising therefrom; Venereal Diseases; Alcoholism; Deformities, Congenital Conditions, Conditions existing at the time of coming under the agreement; Injuries resulting from intoxication or acts of violence, injuries for which third parties are legally responsible, Occupational injuries coverable by Industrial insurance or Workmen's Compensation laws or contracts, nor injuries or diseases for which the employee is entitled to like benefits from any Federal, State or other Governmental agency.

Employees, when applying for treatment, will present doctor with "Employee's Receipt for Hospital Dues" for the current month. These receipts should be taken up by the doctors and mailed to the Association with the doctor's itemized statement for services rendered.

The "Empolyee's Receipt for Hospital Dues" properly issued by his employer is notice to the doctor that the employee is covered by the National Hospital Association, but his eligibility to services for the particular condition is at all times subject to the provisions of the contract under which he is covered.

3503 COMPENSATION CASES

WORK INJURIES AND OCCUPATIONAL DISEASES

Generally, National Hospital Association contracts do not include work injuries or occupational diseases, it being understood that the treatment and care of such cases is under the supervision and control of the compensation department of the respective state, or other compensation carrier, but in those instances where by special arrangement the Association assumes the care of such cases, the fees and regulations of the Compensation Department of the respective state shall apply.

HOSPITAL CARE

1. Where an employee requests hospital care at the expense of the National Hospital Association, the hospital should immediately notify the Association, giving the pa-

tient's name, name of his employer, attending doctor, and the nature and seriousness of the condition for which care is required. Upon receipt of such notice, the Association will investigate the patient's eligibility to care at its expense, but it cannot assume responsibility for the patient's care until eligibility has been established.

2. "Hospital Care" means care in a general ward. An exception to this rule will be made in cases where the employee's condition is of such a critical nature as to make special care definitely necessary, but at no time will the Association be responsible for private room charges unless the hospital has first obtained authority to charge the private room to the Association's account. If an employee personally engages a private room, the Association will assume the general ward rate notwithstanding.

3. The Association will not assume charges for hospital care of patients who are ambulatory, and hospitals permitting patients to remain after the patient has become ambulatory must do so at the patient's expense.

4. Where a patient requires hospital care for a period longer than thirty days, the hospital shall notify the Association each thirty-day period and furnish to the Association an estimate of the additional care required.

3504 5. Hospital care is not provided in cases subject by law to quarantine.

6. All items for which hospital charges are made must be fully itemized and quantities of medicines and other supplies must be stated. Case histories, operative records and pathological findings must accompany hospital bills. Payment for x-rays and laboratory charges will be made at the fees listed in the schedule contained in this booklet.

Payment of Bills

By observing the following, doctors will avoid unnecessary correspondence and be assured of prompt payment.

1. Bills for services in the previous month should be mailed to the Association between the first and the fifth of the succeeding month, accompanied by the "Employe's Receipt for Hospital Dues."

2. Bills should be submitted on forms furnished by the Association and contain all of the information requested on the forms.